



Guthy-Renker
Corporation

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JUN 15 1992

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

June 11, 1992

The Honorable Donna Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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FCC MAIL BRANCH

re: **RM N. 7984/Oppose Amendment of Commission's Rules to Require Continuous
Sponsorship Identification for Program-Length Commercials**

Dear Secretary Searcy,

I am writing to oppose the petition that requests that the Commission amend its sponsorship identification rules as they apply to program-length commercials.

Guthy-Renker Corporation is a producer/distributor of high quality infomercials. We presently have over 30 employees, have been producing infomercials for five years, and have created a database of satisfied customers in excess of 500,000 people.

I co-founded the National Infomercial Marketing Association (NIMA) in order to send out a clear message to consumers that infomercials were legitimate marketing vehicles offering quality products to the public through direct response television. In the many months of effort we put in to forming NIMA, we worked closely with FTC staff to create a set of guidelines and rules for the infomercial industry to ensure that customers were fully and fairly informed of the nature of our programming, were given proper recourse in the event that they were not satisfied with products, and to ensure the maximum comfort of the viewers in knowing that they were watching a paid commercial advertisement.

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We label our programs on the front, the back, and before every commercial ordering opportunity. In fact, our primary objective is to put the consumer in a buying spirit. We have nothing to hide. We tell potential customers right up front that we're going to be offering them a unique product and then we spend one half hour explaining the features and benefits of those products. Put a different way, in direct marketing we "tell them what we're going to tell them, then we tell them, then we tell them what we told them!"

The primary ordering opportunity in infomercials occurs when we place the pricing information, credit card and address, and 800 number on the screen. According to our NIMA guidelines, this information must be preceded by a "paid advertisement" label. To us, and we believe to the consumer, it is very obvious that we are selling a product in this moment. Additionally, we of course honor our 30-day money back guarantees, and if consumers are not absolutely satisfied with the products we have sent them, or if the products are in any way different than their expectations, then our guarantee is "no questions asked".

It is my understanding that the Federal Trade Commission has reviewed the infomercial industry extensively. In fact, sometimes I think the Federal Trade Commission watches infomercials more than consumers! They appear to have been very aggressive in the pursuit of any infomercials that seem to be deceptive in format, or make false and misleading claims. Because of the Federal Trade Commission's close scrutiny, this industry has made remarkable strides in the last five years. Admittedly, we come from an occasionally troubled past, in which some formats could be construed as deceptive. Specifically, the presentation of an "independent consumer panel" that is evaluating a product, almost in a journalistic-like fashion, on behalf of the consumer buying public, is misleading. These kinds of programs have been wholly weeded-out and are off the air.

It would be our perception that we were being "singled-out" were we to be required to label these programs throughout. Infomercials are not inherently deceptive. Television stations are already scrutinizing these programs very closely. In fact, we have sent a barrage of letters to television stations and cable networks encouraging them to review every infomercial before it goes on the air. We go through exhaustive legal reviews of our products and programs prior to completion, and are constantly on the lookout for any program that may appear on air to be deceptive, false or misleading. They simply don't occur any more. Were one to appear, be assured that the Federal Trade Commission, the NIMA Board of Review, and a healthy constituency of consumers, would raise their ire before this infomercial even "got out of the box".

It's possible to mislead in any form of advertising, whether in print, magazines, or through 900 number telephone lines. Infomercials are a highly visible medium. As an industry, we cannot afford to lose our credibility with consumers, by representing products that don't deliver as promised, or by putting out formats that are potentially deceptive. It would be suicidal to do so.

Our company has spent over 35 million dollars in the last several years buying television time from broadcast stations and cable networks. Infomercials have had a profound impact on the television landscape, and it's obvious that many broadcast affiliates and independents have become dependent on the revenues created through infomercials. It's estimated that infomercial producers will pour over 300 million dollars into the coffers of television stations in the year ahead. We have become a large-scale legitimate industry. In extensive focus groups conducted by our office, it has become obvious to us that consumers are fully aware of who we are and what we do, and they view our programs with skepticism. As the American consumer continues to be inundated with hundreds of commercial messages throughout the day, they have become true experts at weeding out commercial messages from mainstream presentations, and their "filters" are extremely refined and developed.

In my opinion, the FCC should not initiate a rule making to reconsider its sponsorship identification policy. We are well policed already, have a life sustaining interest in remaining so, and have every intention of delivering quality goods to the consumers through a new distribution pipeline that is clearly in high demand.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Renker".

Greg Renker

GR/ps